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STATEMENT OF CONSIDERATIONS

REQUEST BY GEORGIA-PACIFIC CORPORATION(G-P) FOR AN ADVANCE
WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS TO INVENTIONS
MADE UNDER CONTRACT NO. DE-FC26-00NT40772 ENTITLED "BLACK
LIQUOR/BIOMASS GASIFICATION IN THE FOREST PRODUCTS INDUSTRY";
W(A)-00-024, CH1039.

G-P has requested an advance waiver of domestic and foreign patent rights to inventions its employees may conceive or first actually reduce to practice in the performance of Cooperative Agreement No. DE-FC26-00NT40772. Fluor Enterprises, Inc., a subcontractor to G-P under the cooperative agreement, has agreed all patents rights to inventions its employees may conceive or first reduce to practice in the performance of the contract belong to G-P as per the attached letter dated December 21, 2000 .

As brought out in the attached waiver petition, the scope of work includes the design, procurement, construction, and installation of a full-scale steam reformer at G-P's commercial wood pulping facility in Big Island, VA. This steam reformer will recover energy and chemicals from the entire black liquor byproduct, thereby conserving energy and recovering greenhouse gas emissions by millions of tons. The total cost of this work under the contract is \$64,811,509.00 over a five year period with \$32,422,917.00 contributed by G-P and \$32,422,917.00 by DOE. G-P's cost share is 50%.

Referring to paragraphs 4 and 5 of G-P's waiver petition, G-P is familiar with the existing Black Liquor technology and has an established record of technical innovation. In 1999, G-P reported net sales of \$18 billion dollars, of which pulp and paper manufacturing accounted for \$ 3.9 billion.

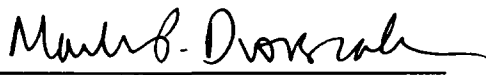
As noted in paragraphs 6-8 of G-P's waiver petition, G-P states that it has spent approximately \$800,000 of its own funds on preliminary engineering, planning, liquor testing and a black liquor gasification pilot project. With the grant of an advanced waiver, G-P can more effectively promote the commercial utilization of any inventions conceived or first actually reduced to practice under the cooperative agreement.


G-P has agreed to the terms of the usual advance patent waiver, including background patent rights, and background data licensing provisions. These advance patent waiver provisions include a Government license, march-in rights and preference for U.S. industry provisions comparable to those set out in 35 U.S.C. 202-204, as well as a U.S. Competitiveness Clause which requires that products embodying a waived invention or produced through this use of a waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. In the event DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. G-P has also agreed to make the above conditions binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees or licensees. Additionally, should G-P or other entity receiving rights in any waived invention undergo a change in ownership amounting to a controlling interest, the waiver, assignment, license or other transfer of rights in the waived invention is suspended until approved in writing by DOE.

The grant of this waiver is not anticipated to result in any adverse effects on competition or the public health, safety and welfare. Alternative methods are in place to the proposed

technology, which perform the same tasks. Alternative recovery methods are also in various stages of development, including the ChemRec procedure under development by Kvaerner.


Considering the foregoing, and in view of the statutory objectives to be attained and the factors to be considered, it has been determined that this advance waiver of patent rights will best serve the interest of the United States and the general public. Subject to G-P providing at least fifty percent (50%) cost sharing, in aggregate over the term of this agreement, it is recommended that the waiver be granted.


Mark P. Dvorscak
Assistant Chief Counsel
Office of Intellectual Property Law
Date: Feb. 28, 2001

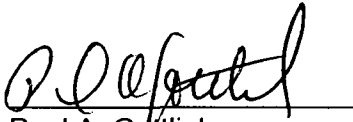

Joy Alwan
Patent Attorney
Office of Intellectual Property Law
Date: 28 Feb 01

Based on the foregoing Statement of Consideration, it is determined that the interest of the United States and the general public will be best served by a waiver of the United States and foreign rights as set forth therein, and therefore the waiver is granted. This waiver shall not affect any waiver previously granted.

CONCURRENCE:


Denise Swink
Deputy Assistant Secretary
Office for Industrial Technologies
Office of Energy Efficiency and Renewable Energy
Date: 4/10/01

APPROVAL:


Paul A. Gottlieb
Assistant General Counsel
for Technology Transfer and
Intellectual Property, GC-62
Date: 4-13-01